

APHIS officials have not provided any assistance to the producers affected by this outbreak, nor have they assisted in efforts to control and prevent spread of the disease. To rectify this situation, APHIS published an Advance Notice of Proposed Rulemaking seeking comments on treating farm-raised finfish as livestock under the animal quarantine laws. This could lead to a coordinated Federal regulatory program to prevent the introduction and spread of aquatic plants, animals, and organisms that could harm commercial aquaculture production.

■ Grain Inspection, Packers and Stockyards Administration

The Grain Inspection, Packers and Stockyards Administration (GIPSA) facilitates the marketing of livestock, poultry, meat, grain, oilseeds, and related agricultural products and promotes fair and competitive trading practices for the overall benefit of consumers and American agriculture.

GIPSA, like its sister agencies in USDA's Marketing and Regulatory Programs, is working to ensure a productive and competitive global marketplace for U.S. agricultural products. The agency's Federal Grain Inspection Service (FGIS) provides the U.S. grain market with Federal quality standards and a uniform system for applying them. GIPSA's Packers and Stockyards Programs ensure open and competitive markets for livestock, meat, and poultry.

Federal Grain Inspection Program

Through its Federal Grain Inspection Program, GIPSA facilitates the marketing of grain, oilseeds, pulses, rice, and related commodities. This program serves American agriculture by providing descriptions (grades) and testing methodologies for measuring the quality and quantity of grain, rice, edible beans, and related commodities. GIPSA also provides a wide range of inspection and weighing services, on a fee basis, through the official grain inspection and weighing system, a unique partnership of Federal, State, and private laboratories. In FY 1997, the official system performed over 2 million inspections on 226 million metric tons of grain and related commodities.

Specifically, under the U.S. Grain Standards Act, and those provisions of the Agricultural Marketing Act of 1946 (AMA) that relate to inspection of rice, pulses, lentils, and processed grain products, the Federal Grain Inspection Program:

- Establishes official U.S. grading standards and testing procedures for eight grains (barley, corn, oats, rye, sorghum, triticale, wheat, and mixed grain), for oilseeds (canola, flaxseed, soybeans, and sunflower seed), rice, lentils, dry peas, and a variety of edible beans.
- Provides American agriculture and customers of U.S. grain around the world with a national inspection and weighing system that applies the official grading and testing standards and procedures in a uniform, accurate, and impartial manner.

- Inspects and weighs exported grain and oilseeds. Domestic and imported grain and oilseed shipments, and crops with standards under the AMA, are inspected and weighed upon request.
- Monitors grain handling practices to prevent the deceptive use of the grading standards and official inspection and weighing results, and the degradation of grain quality through the introduction of foreign material, dockage, or other nongrain material to grain.

By serving as an impartial third party, and by ensuring that the Official U.S. Standards for Grain are applied properly and that weights are recorded fairly and accurately, GIPSA and the official grain inspection and weighing system advance the orderly and efficient marketing and effective distribution of U.S. grain and other assigned commodities from the Nation's farms to destinations around the world.

Packers and Stockyards Programs

GIPSA's Packers and Stockyards Programs administers the Packers and Stockyards (P&S) Act of 1921. The purpose of the P&S Act, which has been amended to keep pace with changes in the industry, is to assure fair competition and fair trade practice, safeguard farmers and ranchers, and protect consumers and members of the livestock, meat, and poultry industries from unfair business practices that can unduly affect meat and poultry distribution and prices. Enforcement of the P&S Act takes place through the maintenance of administrative disciplinary proceedings within USDA and the filing of actions in court. The P&S Act also provides for members of the industry to file complaints with USDA, seeking reparation.

Payment Protection

The P&S Act requires prompt payment for livestock purchased by dealers, market agencies, and packers whose operations are subject to the Act. Pursuant to this requirement, subject firms must pay for livestock before the close of the next business day following the purchase and transfer of possession. In addition, the Act establishes specific payment deliver requirements for livestock purchased for slaughter. Also, packers, market agencies, and dealers operating in commerce are required to file a surety bond or its equivalent. At the beginning of FY 1998, bonds totaling \$631 million were in place to cover the livestock purchases of packers, market agencies, and dealers.

GIPSA also emphasizes custodial account investigations as a means of payment protection for consignors of livestock. All market agencies selling on a commission basis are required to establish and maintain a separate bank account designated as "Custodial Account for Shippers' Proceeds," to be used for deposits from livestock purchasers and disbursements to consignors of livestock. The custodial audit program has been very successful in protecting funds due livestock sellers.

Packer and Poultry Trust Activities

The P&S Act provides that if a meat packer fails to pay for livestock in a cash sale, or a live poultry dealer fails to pay for live poultry grown under a poultry growing arrangement, then receivables, inventories, and proceeds held by the packer or

poultry dealer become trust assets. These assets are held by the meat packer or live poultry dealer for the benefit of all unpaid cash sellers and/or poultry growers. Cash sellers of livestock and poultry growers receive priority payment in bankruptcy or in claims against trust assets in the event of business failure.

Fair Competition

GIPSA works to eliminate unfair, unjustly discriminatory, or deceptive practices in the meat and poultry industries, with special emphasis on investigation of anticompetitive activities. Practices such as apportioning of territories, price manipulation, arrangements not to compete, and payoffs or kickbacks to buyers are violations of the P&S Act. GIPSA staff members immediately investigate any practice that indicates a possible unfair or discriminatory practice.

Scales and Weighing Activities

GIPSA is concerned with two different elements that affect the integrity of weights: (1) the accuracy of scales used for weighing livestock, meat, and poultry, and (2) the proper and honest operation of scales to assure that the weight on which a transaction is based is accurate.

The major emphasis is on detecting improper and fraudulent use of scales. GIPSA's investigative program uses several different procedures to determine whether weighing activity is proper and honest. Agency investigators routinely visit livestock auction markets, buying stations, and packing plants to verify that livestock, carcasses, and live poultry have been accurately weighed and to examine weight records and equipment.

Trade Practices

Fraudulent trade practices—such as price manipulation, weight manipulation of livestock or carcasses, improper use or designation of carcass grades, misrepresentation of livestock as to origin and health, and other unfair and deceptive practices—continue to be concerns within the industry. GIPSA investigates these practices when complaints are received or when such practices are uncovered during other investigations.

Fair Treatment for Poultry Growers

GIPSA enforces the trade practice provisions of the P&S Act relating to live poultry dealers. Its investigative program extensively examines the records of poultry integrators to determine the existence of any unfair, unjustly discriminatory, or deceptive practices in its dealings with poultry growers and sellers. Complaints alleging unfair termination of growing contracts are investigated on a priority basis.

Carcass Merit Purchasing

GIPSA monitors the use of electronic evaluation devices by hog slaughterers who purchase hogs on a carcass merit basis, to ensure that the electronic measuring is accurate and properly applied and that the producer receives an accurate accounting of the sale.

Analysis of Structural Change

GIPSA examines structural changes in the livestock, meat packing, and poultry industries and analyzes the competitive implications of these structural changes. GIPSA uses the analyses as tools in enforcing the P&S Act and in addressing public policy issues relating to the livestock, meat packing, and poultry industries.

Clear Title

The Clear Title provisions of the Food Security Act of 1985 permit States to establish central filing systems to inform parties about liens on farm products. The purpose of this program is to remove an obstruction to interstate commerce in farm products. GIPSA certifies when a State's central filing system complies with the Act.

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